

City of Detroit


CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Pamela Moore Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: May 10, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

We would then appreciate a written response to the issues/questions by **Friday, May 13, 2011**. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Thomas Lijana, Finance Director
Floyd Stanley, Budget Deputy Director
Donna McAlister, Budget Department Team Leader
Denise Gardner, Mayor's Office

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Detroit Workforce Development (21)

FY 2011-2012 Budget Analysis by the Fiscal Analysis Division

Summary

The Detroit Workforce Development Department is a General Grant Agency. The recommended 2011-2012 budgeted appropriations total \$53.9 million, which represents a \$8.6 million decrease from the current fiscal year budget of \$62.5 million. The Department's recommended net tax cost to the City is \$1,700, which is the same as fiscal year 2010-11.

2010-2011 Surplus/(Deficit)

There is no projected deficit or surplus for the 2010-2011 fiscal year.

Overtime

There is \$150,000 of budgeted salary overtime expenditures in the Mayor's 2011-2012 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2010-2011. As of March 31, 2010, the Department has expended \$49,724 on overtime.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2011-2012 for the Detroit Workforce Development Department.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2010-11</u>	<u>Filled Positions 3/31/2011</u>	<u>Mayor's Budget Positions FY 2011-12</u>	<u>Over/(Under) Actual to 10/11 Budget</u>	<u>Mayor's Recommended Turnover</u>
Detroit Workforce Development Department (21):					
218599 DWDD Reallocation Clearing FY 07	125	115	104	(10)	\$ -
21XXXX Leave of Absence	0	0	0	0	\$ -
21XXXX Worker's Comp.	0	(6)	0	(6)	\$ -
21XXXX Unmatched Positions	0	0	0	0	\$ -
TOTAL	<u>125</u>	<u>109</u>	<u>104</u>	<u>(16)</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's 2011-2012 Proposed Budget does not include any layoffs. 21 grant funded positions were deleted from various divisions.

Detroit Workforce Development Department (21)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2010-11 Budget</u>	<u>FY 2011-12 Recommended</u>	<u>Increase (Decrease)</u>
Adult Client Services	994,880	760,572	(234,308)
Youth Services	53,538	1,246,528	1,192,990
Total	<u>\$ 1,048,418</u>	<u>\$ 2,007,100</u>	<u>\$ 958,682</u>

Capital Improvement

There are no capital improvements in the Mayor's 2011-2012 Proposed Budget.

Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
13214	WIA Dislocated Worker	The Mayor's 2011-2012 Proposed Budget is \$4.5 million for the WIA Dislocated Worker program, which is a decrease of \$1.7 million from fiscal year 2010-2011 budget of \$6.2 million.
13217	WIA Incumbent Worker	The Mayor's 2011-2012 Proposed Budget is \$.19 million for the WIA Incumbent Worker program, which is a decrease of \$.03 million from fiscal year 2010-2011 budget of \$.22 million.
13210	Trade	The Mayor's 2011-2012 Proposed Budget is \$9.5 million for the Trades program, which is an increase of \$5.9 million from fiscal year 2010-2011 budget of \$3.6 million.
13047	NWLB WIA Statewide Activities	The Mayor's 2011-2012 Proposed Budget is \$0.0 for this program, which is a decrease of \$1.9 million from fiscal year 2010-2011 budget of \$1.9 million.
13211	WIA Service Center Operations	The Mayor's 2011-2012 Proposed Budget is \$.4 million for this program, which is a decrease of \$0.1 million from fiscal year 2010-2011 budget of 0.5 million.
13215	WIA Youth	The Mayor's 2011-2012 Proposed Budget is \$6.5 million for this program, which is a decrease of \$2.5 million from fiscal year 2010-2011 budget of \$9.0 million.
13216	WIA Administration	The Mayor's 2011-2012 Proposed Budget is \$2.0 million for this program, which is a decrease of \$1.5 million from fiscal year 2010-2011 budget of \$3.5 million.
13205	JET TANF	The Mayor's 2011-2012 Proposed Budget is \$16.1 million for this program, which is a decrease of \$3.9 million from fiscal year 2010-2011 budget of \$20.0 million
13206	JET State	The Mayor's 2011-2012 Proposed Budget is \$3.8 million for this program, which is a decrease of \$1.0 million from fiscal year 2010-2011 budget of \$4.8 million.
13207	Food Assistance	The Mayor's 2011-2012 Proposed Budget is \$1.2 million for this program, which is an increase of \$0.3 million from fiscal year 2010-2011 budget of \$0.9 million.
13209	Employment Service	The Mayor's 2011-2012 Proposed Budget is \$1.7 million for this program, which is an decrease of \$0.1 million from fiscal year 2010-2011 budget of \$1.8 million

Following is information by appropriation comparing budgeted FY 2010-2011 revenues and 2011-2012 Mayor's recommended revenues.

Significant Revenue Changes

Revenue	Fiscal Year 2011-2012 Proposed Budget	Fiscal Year 2010-2011 Budget	Difference - This Year Over/Under Last Year
General Fund Account-Late Fees	\$ 1,700	\$ 1,700	\$ 0
DWDD Reallocation Clearing	1,000,000	1,000,000	0
JET	16,079,265	20,000,000	(3,920,735)
JET State	3,809,705	4,800,000	(990,295)
Food Stamp Only	1,159,936	900,000	259,936
Food Stamp Only SS	21,597	25,000	(3,403)
Promoting Responsible Fatherhood	0	500,000	(500,000)
Employment Service	1,700,408	1,800,000	(99,592)
NWLB WIA Statewide Activities	0	1,900,000	(1,900,000)
TRADE	9,500,320	3,600,000	5,900,320
WIA Service Center Operations	415,000	500,000	(85,000)
WIA Statewide Capacity Building	24,000	24,000	0
WIA Adult	6,896,780	8,450,660	(1,553,880)
WIA Dislocated Worker	4,490,345	6,219,744	(1,729,399)
WIA Incumbent Worker	194,192	220,000	(25,808)
WIA Disability Program Navigator	74,745	62,500	12,245
WIA Administration	1,988,214	3,467,040	(1,478,826)
WIA Youth	6,506,802	9,000,000	(2,493,198)
WIA Statewide High Concentration	31,123	50,000	(18,877)
Total	\$ 53,892,432	\$ 62,518,944	\$ (8,626,512)

Issues and Questions

1. How will the decrease in 21 positions affect your programs? Why were these positions eliminated from your budget (layoff, retirement, etc.)?
2. What is the funding for TRADE of \$9.5 million?
3. When must the currently awarded Stimulus funding be expended? Does the agency see any problems in meeting that time frame?
4. How many cars will be turned in from your agency? Will any of the employees turning in cars receive a stipend? If so, how many?
5. What type of apprenticeship programs will you be creating in the future?
6. What will be the impact of reduced total funding of \$8.6 million in 2011-2012 fiscal year?